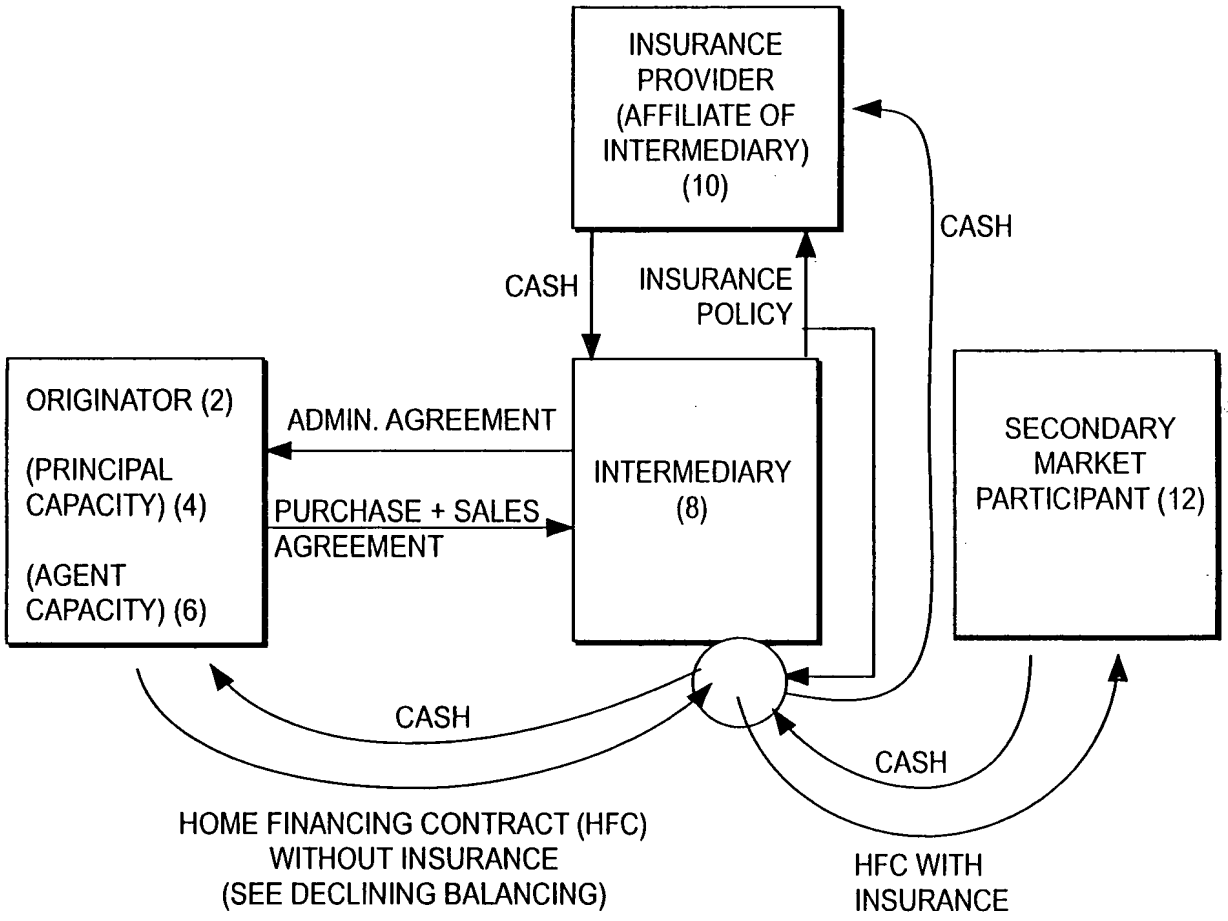
Fig. 1


INSURANCE PROVIDER (AFFILIATE OF INTERMEDIARY) (10)
CASH
INSURANCE POLICY
CASH
ORIGINATOR (2)
(PRINCIPAL CAPACITY) (4)
(AGENT CAPACITY) (6)
ADMIN. AGREEMENT
PURCHASE + SALES AGREEMENT
INTERMEDIARY (8)
SECONDARY MARKET PARTICIPANT (12)
CASH
CASH
HOME FINANCING CONTRACT (HFC) WITHOUT INSURANCE (SEE DECLINING BALANCING)
HFC WITH INSURANCE

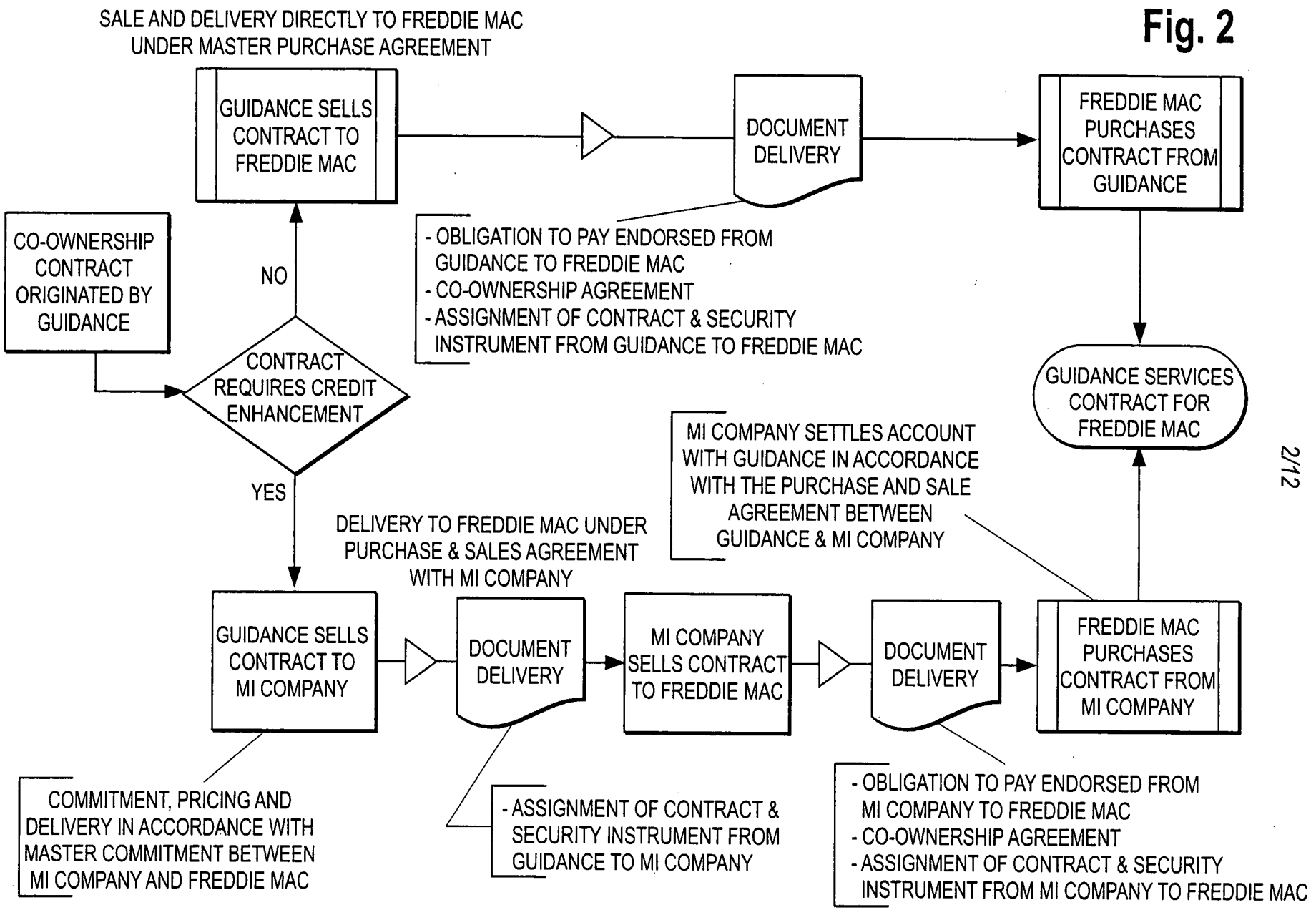

SALE AND DELIVERY DIRECTLY TO FREDDIE MAC UNDER MASTER PURCHASE AGREEMENT
GUIDANCE SELLS CONTRACT TO FREDDIE MAC
DOCUMENT DELIVERY
FREDDIE MAC PURCHASES CONTRACT FROM GUIDANCE
- OBLIGATION TO PAY ENDORSED FROM GUIDANCE TO FREDDIE MAC
- CO-OWNERSHIP AGREEMENT
- ASSIGNMENT OF CONTRACT & SECURITY INSTRUMENT FROM GUIDANCE TO FREDDIE MAC
CO-OWNERSHIP CONTRACT ORIGINATED BY GUIDANCE
NO
CONTRACT REQUIRES CREDIT ENHANCEMENT
YES
GUIDANCE SERVICES CONTRACT FOR FREDDIE MAC
MI COMPANY SETTLES ACCOUNT WITH GUIDANCE IN ACCORDANCE WITH THE PURCHASE AND SALE AGREEMENT BETWEEN GUIDANCE & MI COMPANY
DELIVERY TO FREDDIE MAC UNDER PURCHASE & SALES AGREEMENT WITH MI COMPANY
GUIDANCE SELLS CONTRACT TO MI COMPANY
DOCUMENT DELIVERY
MI COMPANY SELLS CONTRACT TO FREDDIE MAC
DOCUMENT DELIVERY
FREDDIE MAC PURCHASES CONTRACT FROM MI COMPANY
COMMITMENT, PRICING AND DELIVERY IN ACCORDANCE WITH MASTER COMMITMENT BETWEEN MI COMPANY AND FREDDIE MAC
- ASSIGNMENT OF CONTRACT & SECURITY INSTRUMENT FROM GUIDANCE TO MI COMPANY
- OBLIGATION TO PAY ENDORSED FROM MI COMPANY TO FREDDIE MAC
- CO-OWNERSHIP AGREEMENT
- ASSIGNMENT OF CONTRACT & SECURITY INSTRUMENT FROM MI COMPANY TO FREDDIE MAC

Fig. 2

2/12

Fig. 3

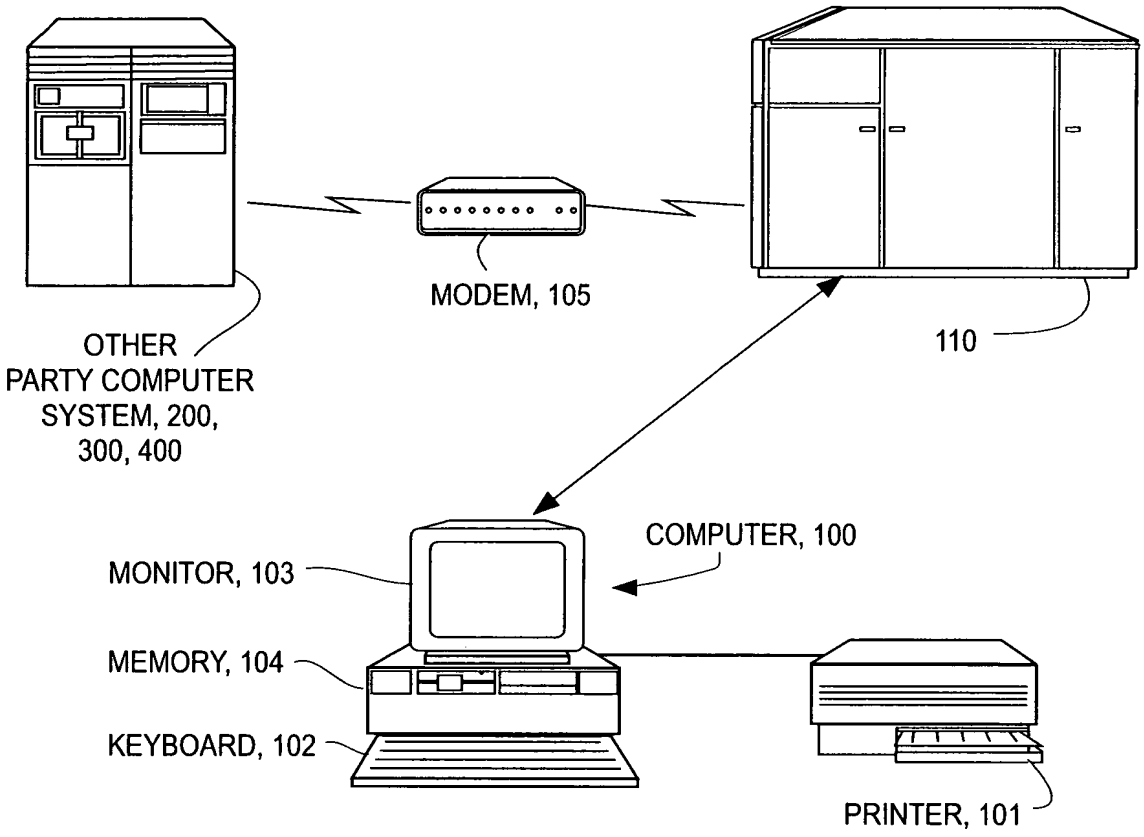

OTHER
PARTY COMPUTER
SYSTEM, 200,
300, 400
MODEM, 105
110
COMPUTER, 100
MONITOR, 103
MEMORY, 104
KEYBOARD, 102
PRINTER, 101

Fig. 4

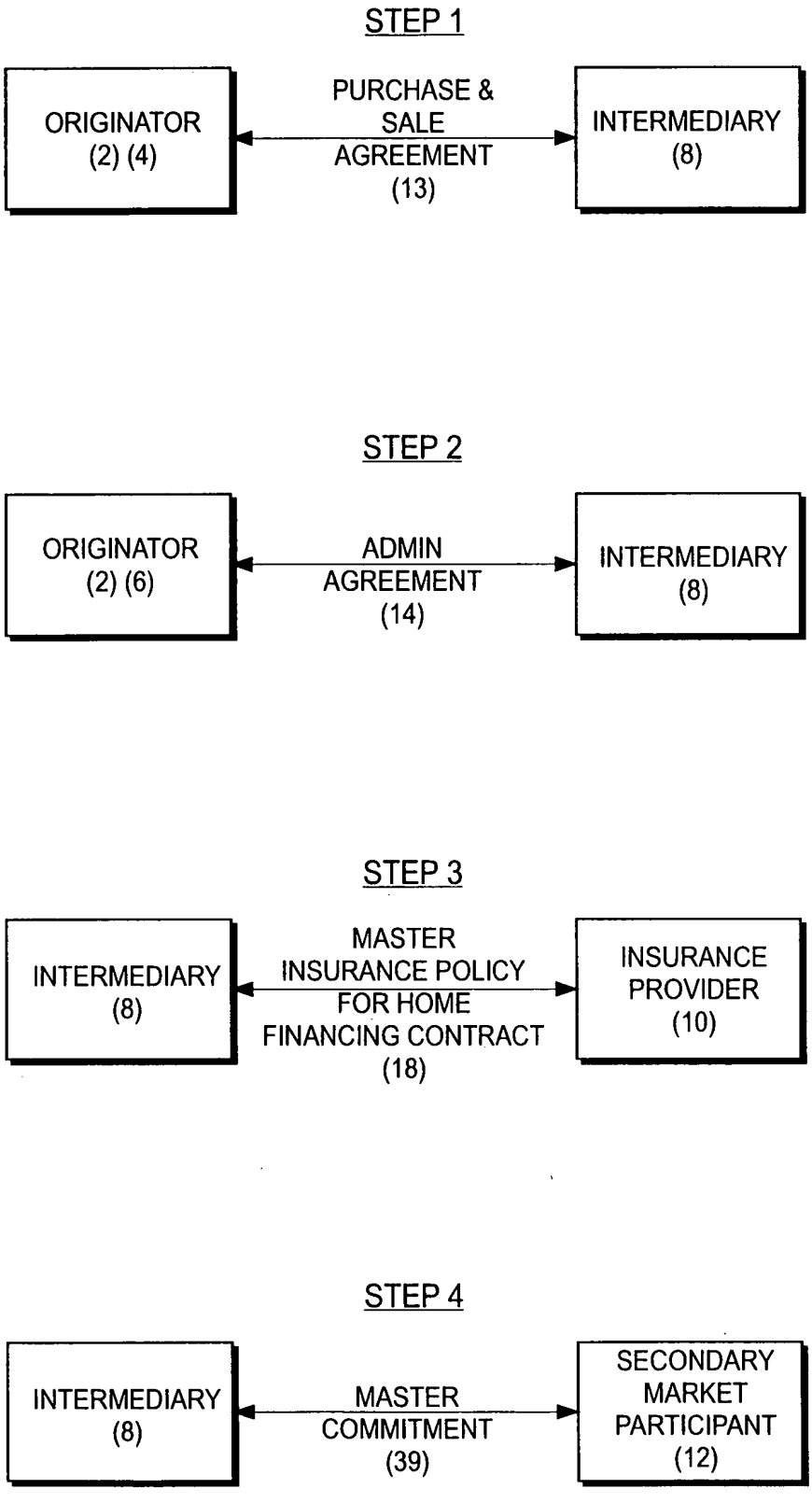

STEP 1
ORIGINATOR
(2) (4)
PURCHASE &
SALE
AGREEMENT
(13)
INTERMEDIARY
(8)
STEP 2
ORIGINATOR
(2) (6)
ADMIN
AGREEMENT
(14)
INTERMEDIARY
(8)
STEP 3
INTERMEDIARY
(8)
MASTER
INSURANCE POLICY
FOR HOME
FINANCING CONTRACT
(18)
INSURANCE
PROVIDER
(10)
STEP 4
INTERMEDIARY
(8)
MASTER
COMMITMENT
(39)
SECONDARY
MARKET
PARTICIPANT
(12)

Fig. 5

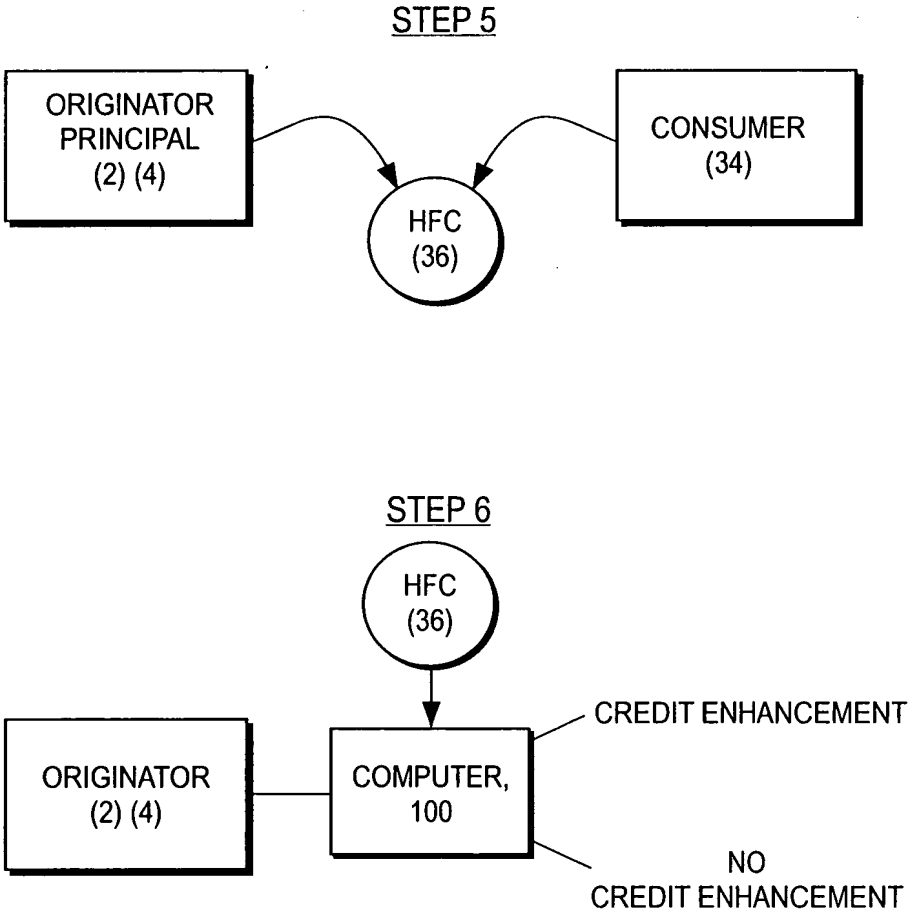

STEP 5
ORIGINATOR PRINCIPAL (2) (4)
CONSUMER (34)
HFC (36)
STEP 6
HFC (36)
ORIGINATOR (2) (4)
COMPUTER, 100
CREDIT ENHANCEMENT
NO CREDIT ENHANCEMENT

Fig. 6

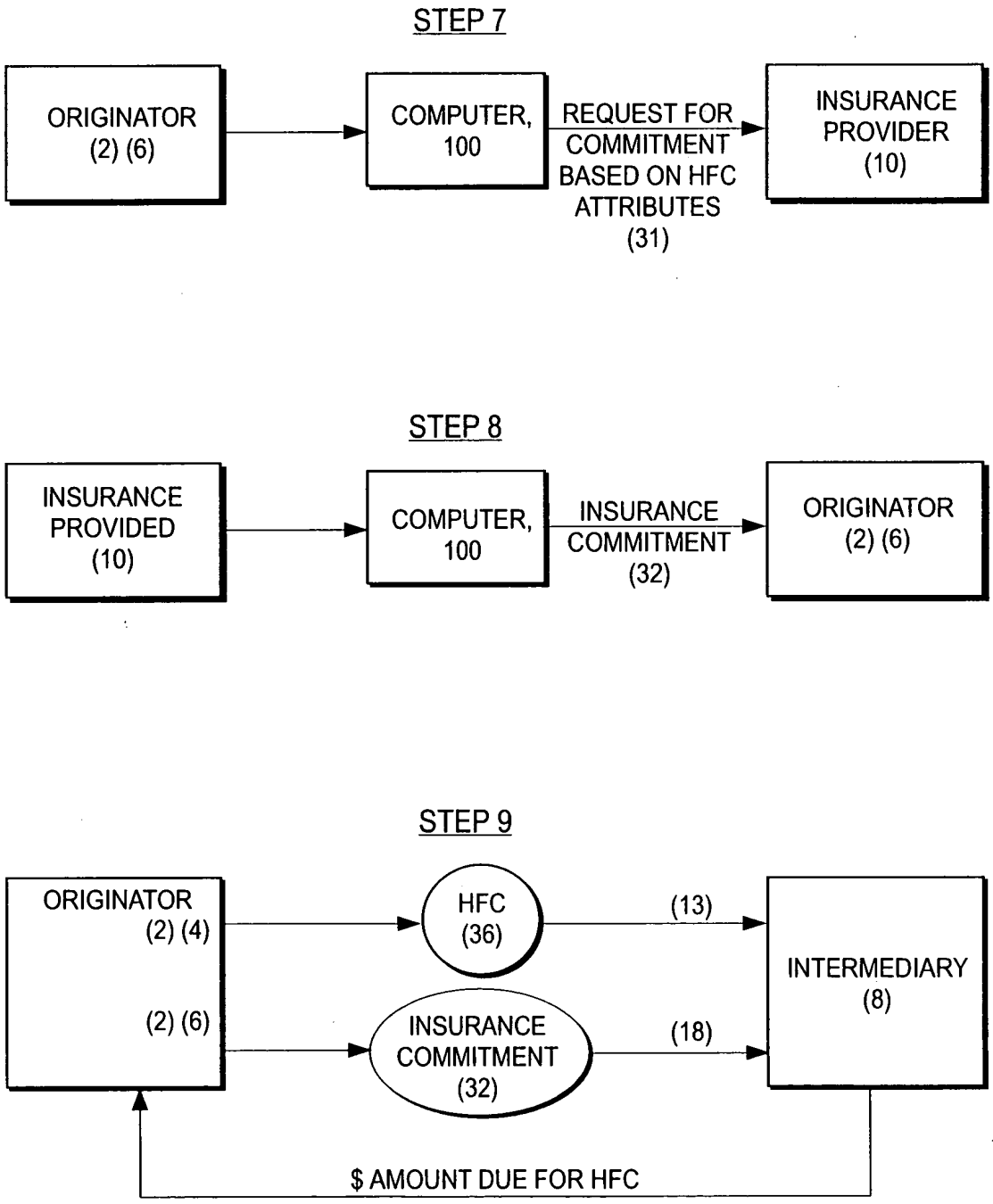

STEP 7
ORIGINATOR
(2) (6)
COMPUTER,
100
REQUEST FOR
COMMITMENT
BASED ON HFC
ATTRIBUTES
(31)
INSURANCE
PROVIDER
(10)
STEP 8
INSURANCE
PROVIDED
(10)
COMPUTER,
100
INSURANCE
COMMITMENT
(32)
ORIGINATOR
(2) (6)
STEP 9
ORIGINATOR
(2) (4)
(2) (6)
HFC
(36)
INSURANCE
COMMITMENT
(32)
(13)
(18)
INTERMEDIARY
(8)
$ AMOUNT DUE FOR HFC

Fig. 7

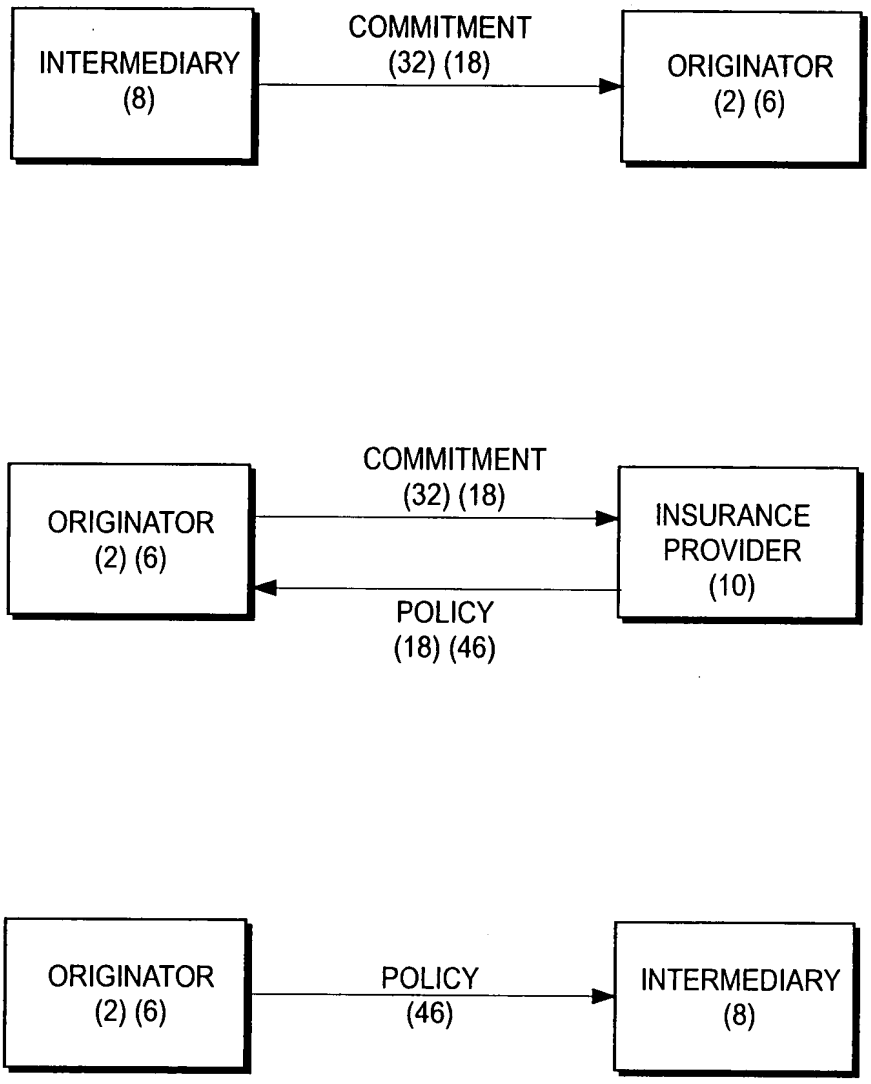

INTERMEDIARY
(8)
COMMITMENT
(32) (18)
ORIGINATOR
(2) (6)
ORIGINATOR
(2) (6)
COMMITMENT
(32) (18)
INSURANCE
PROVIDER
(10)
POLICY
(18) (46)
ORIGINATOR
(2) (6)
POLICY
(46)
INTERMEDIARY
(8)

Fig. 8

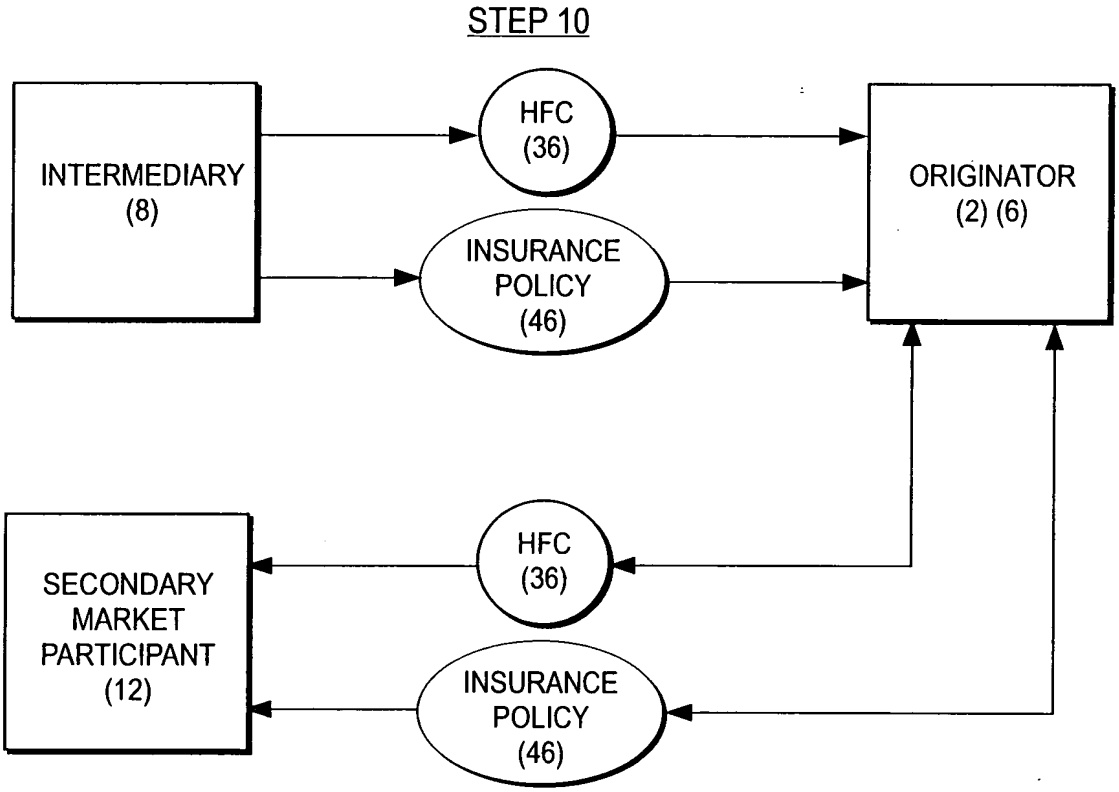

STEP 10
INTERMEDIARY (8)
HFC (36)
INSURANCE POLICY (46)
ORIGINATOR (2) (6)
SECONDARY MARKET PARTICIPANT (12)
HFC (36)
INSURANCE POLICY (46)

Fig. 9

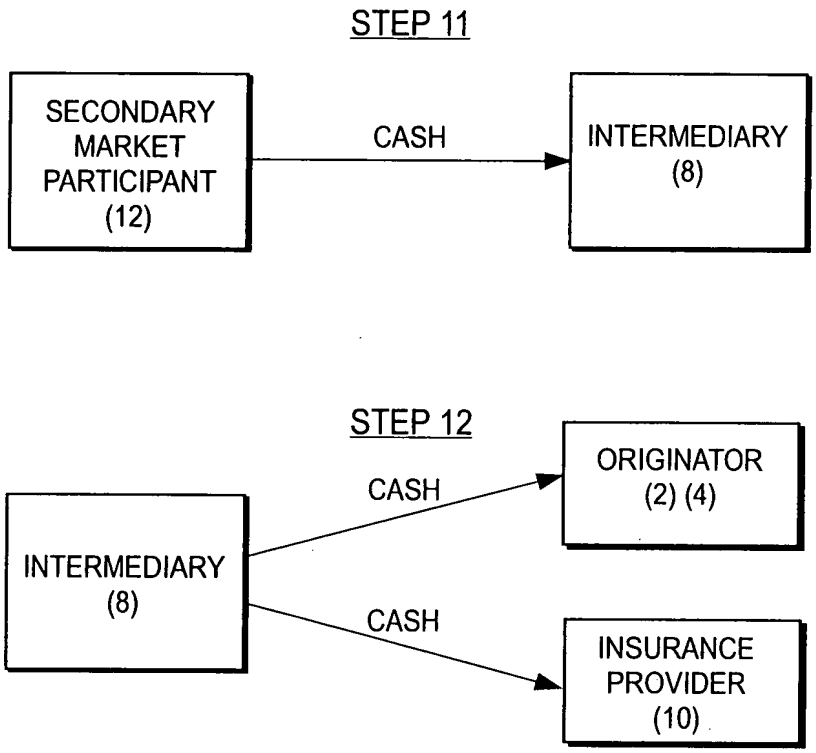

STEP 11
SECONDARY MARKET PARTICIPANT (12)
CASH
INTERMEDIARY (8)
STEP 12
INTERMEDIARY (8)
CASH
ORIGINATOR (2) (4)
CASH
INSURANCE PROVIDER (10)

Fig. 10

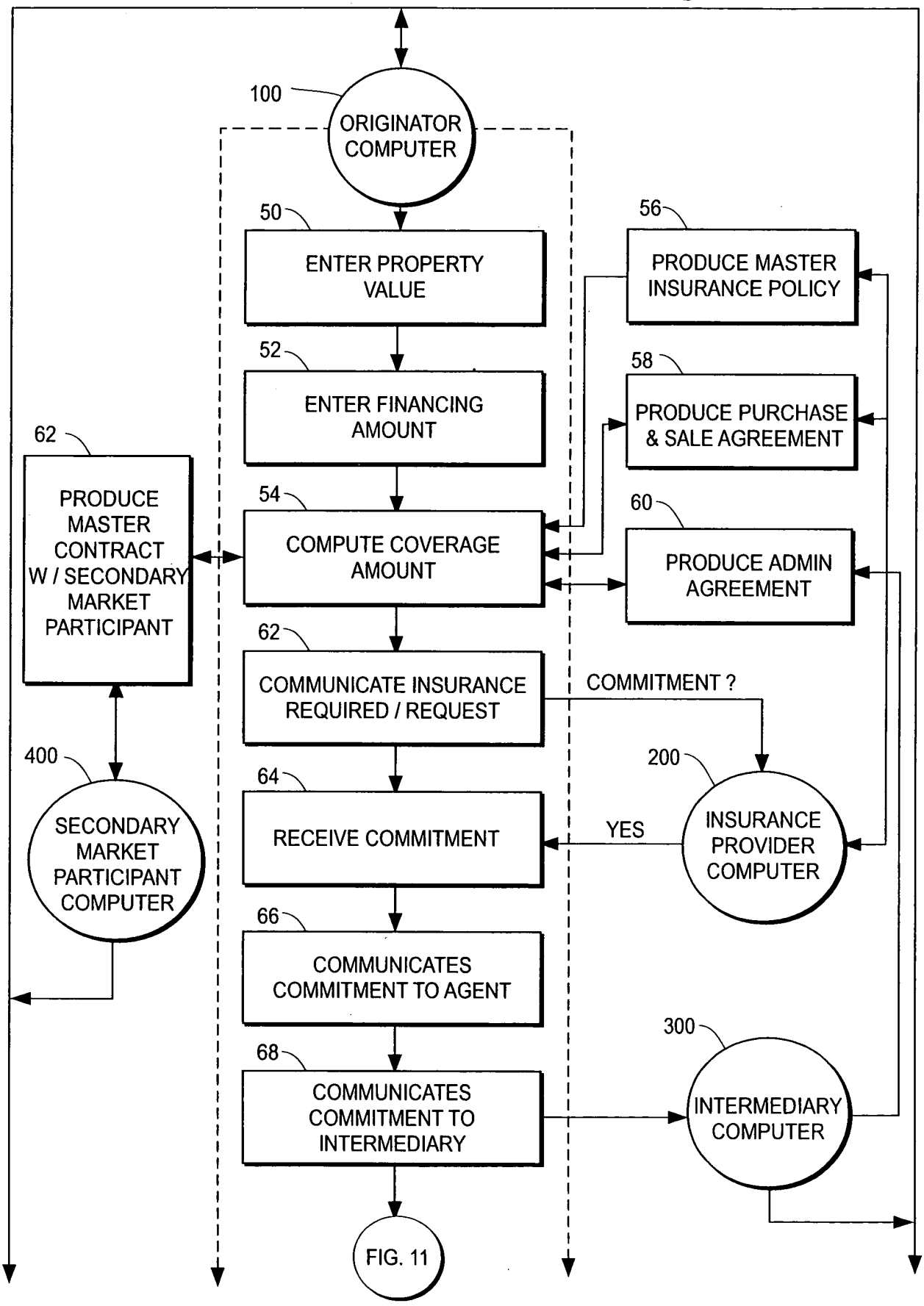

100
ORIGINATOR COMPUTER
50
ENTER PROPERTY VALUE
52
ENTER FINANCING AMOUNT
54
COMPUTE COVERAGE AMOUNT
62
COMMUNICATE INSURANCE REQUIRED / REQUEST
64
RECEIVE COMMITMENT
66
COMMUNICATES COMMITMENT TO AGENT
68
COMMUNICATES COMMITMENT TO INTERMEDIARY
FIG. 11
62
PRODUCE MASTER CONTRACT W / SECONDARY MARKET PARTICIPANT
400
SECONDARY MARKET PARTICIPANT COMPUTER
56
PRODUCE MASTER INSURANCE POLICY
58
PRODUCE PURCHASE & SALE AGREEMENT
60
PRODUCE ADMIN AGREEMENT
COMMITMENT ?
200
INSURANCE PROVIDER COMPUTER
YES
300
INTERMEDIARY COMPUTER

Fig. 11

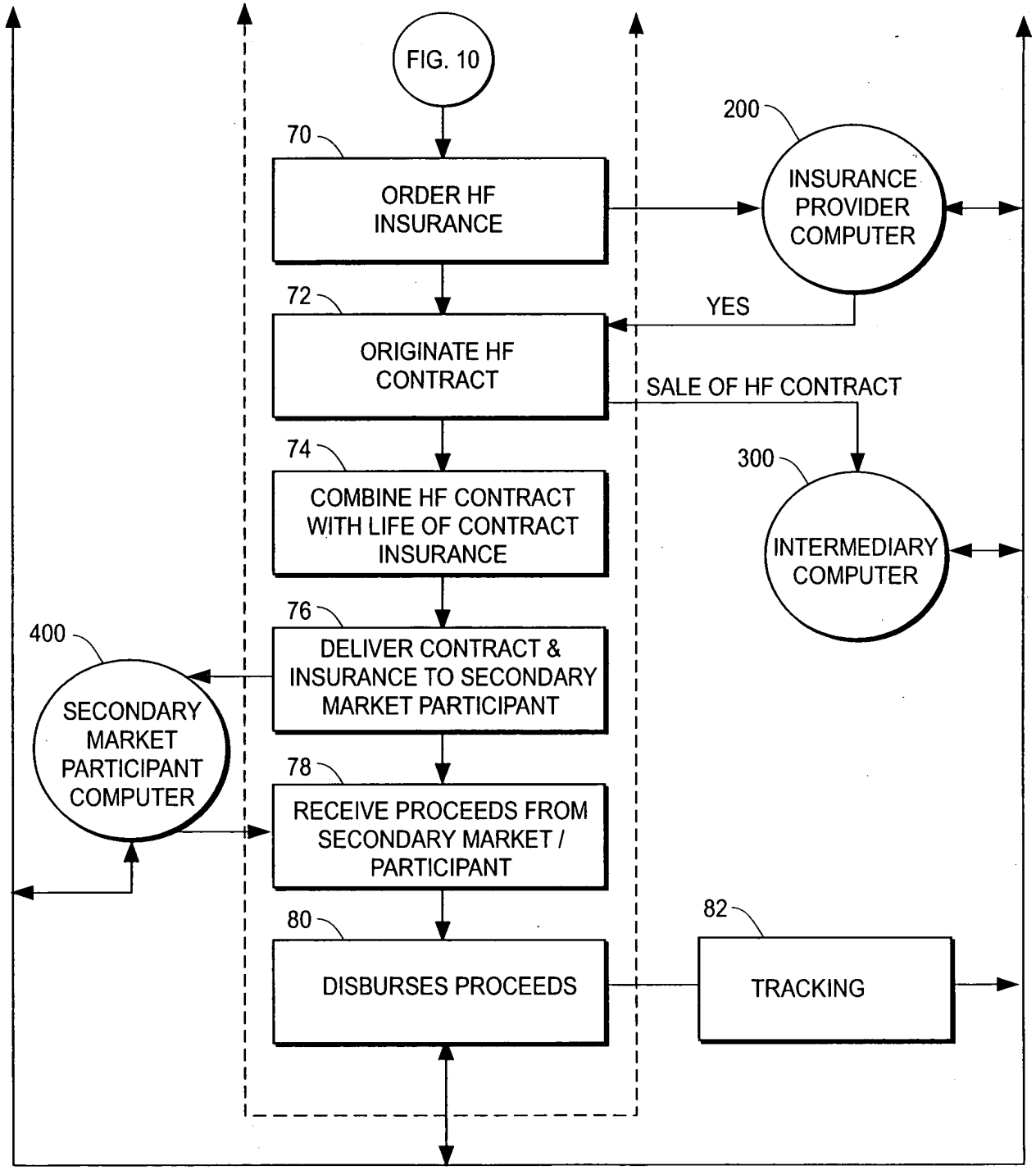
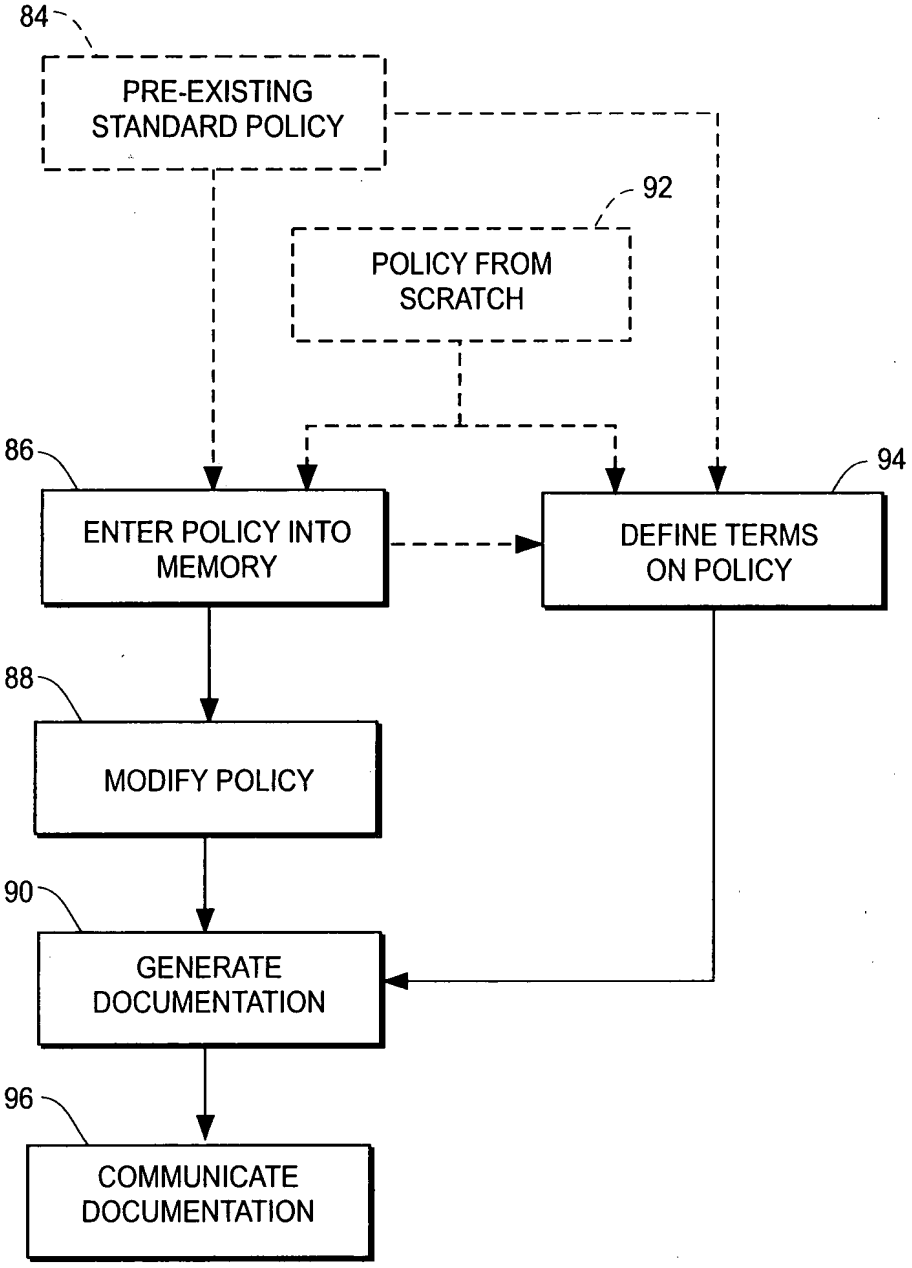


FIG. 10
70
ORDER HF INSURANCE
200
INSURANCE PROVIDER COMPUTER
YES
72
ORIGINATE HF CONTRACT
SALE OF HF CONTRACT
74
COMBINE HF CONTRACT WITH LIFE OF CONTRACT INSURANCE
300
INTERMEDIARY COMPUTER
76
DELIVER CONTRACT & INSURANCE TO SECONDARY MARKET PARTICIPANT
400
SECONDARY MARKET PARTICIPANT COMPUTER
78
RECEIVE PROCEEDS FROM SECONDARY MARKET / PARTICIPANT
80
DISBURSES PROCEEDS
82
TRACKING

Fig. 12


84
PRE-EXISTING STANDARD POLICY
92
POLICY FROM SCRATCH
86
ENTER POLICY INTO MEMORY
94
DEFINE TERMS ON POLICY
88
MODIFY POLICY
90
GENERATE DOCUMENTATION
96
COMMUNICATE DOCUMENTATION